

## **PARTICULARITIES OF RETAIL OCCUPATIONS**

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### **Abstract**

The gradual disappearance of barriers from the path of labour resources at worldwide level has a great contribution to amplification of anomalies of labour market, especially in structure and level of occupation and unemployment. The fluctuations of labour demand at international level are periodical and selective, and the required occupations imply an extremely high qualification or an unqualified work, fact that points out the lack of balance in labour domain. In consequence, the approach of employment must be made regarding the perspectives of national occupational structure, taking into account the tendencies and transformations from entire world. The aim of harmonization of Romania occupational structure with the one of European Union and the worldwide one imposes the concentration on main activities sectors that drive an economy to be competitive and creation of jobs and occupation specific to these sectors.

The article brings out the problem of occupations from retail sector. It is presented the critical analysis of changes that took place in occupational system in general but also in retail in particular. The paper analyses also the occupational profile of retail employees from necessary competencies evolution point of view, identified by recent research of employers. A model that highlights the key areas of organization activities and retail store manager, contributing to sales of goods and services it is presented and examined from empirical point of view.

**Keywords:** occupational system, retail, “skills gaps”, occupations, retail manager, technological changes

**JEL Classification:** J21, J23, J24, L81, O33

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## Introduction

In the present context in Romania existed discussions about the classification of occupations. The identifying and knowing the reference points of people occupations (work, employment, pursuit) became important, in condition in which labour market confronts with series of problems. Because it was necessary an attitude in this sense, there have been took the necessary steps by professional organizations and public institutions and has been bringing up to day the Classification of occupations in Romania (COR). Completing COR happened with the aim of harmonization of occupation from Romania with the ones from European Union (EU), but also in order to comply the normative framework of practicing an occupation or a profession in Romania.

Fluid jobs permit that people to have certain autonomy but less control after these move away from organization in which they worked. This fact tells us that flexibility may generate new occupational structures and contradictions for workers, but in comparison with previous research tells us that occupations have never been entirely uniform, in structure, across the time (Damarin, 2006). We can say that occupational structure has changed and the occupied population diminished. In Romania it has been tried a reallocation of human resources but without taking into account the qualifications of people and the stimulus that sustained different activities of national economy. Anyway, the role that unproductive activities have in population occupations has been giving attention. Until 2015, it is forecast this continuous rising determined by technological sector development [6]. It must be underlined that disparities still exists in regions where the counties dominated by agriculture activity coexist with more development ones. This phenomenon developed because of the impact of economy restructure especially in single industrial areas with population affected by unemployment as consequence of closing unprofitable state firms. In transports and scientific research took place significant reduction of workers. The tendency is caused by lack of investments in these sectors.

Talking about retail sector this comprises the largest sector of the private economy. It is not surprising therefore that retail is identified as an important factor contributing to local economies. However, the sector is polarized with a concentration of large multiple retailers at one extreme and, at the other, a large majority of small businesses. Employers face considerable challenges in that retail employs the highest proportion of part-time workers, suffers a higher than average staff turnover, and has a poor image as a career destination, particularly for well-qualified employees. Indeed, retailing has traditionally been trapped in a low skills, low pay equilibrium (Hart et al., 2006).

The objective of the paper is to present the situation of occupations from retail sector by investigating the profile of employees from this sector. In this context, identifying the most important necessary skills in retail has new interpretations

regarding the relationship between these and the success of commercial activities. For exemplification, the paper brings out into attention the model of Arnold et al. (2008), which highlights the relationship between key zone of organisation activities and retail manager. It starts from the hypothesis that retail manager is the one who contributes on organisational success and performance, through achieving his activities. The variables are related on the supervisor support and one of the limits of this model is not taking into account the factors that motivates the manager in achieving the objectives. The conclusions of the analysis of this model conduct to reconsideration of retail manager role, taking into account his importance for organisation and for sales growth.

### **1. Changes in occupational system**

The demand for goods and services is responsible, in great part, for employment of population in sectors that offers them. The hiring opportunities result from specific competencies, necessary in these sectors. In the same time, population trends influence the hiring opportunities. The variation of population number has effects on groups of occupations in different ways. The differences are partial generated by the distribution on age of future population.

Regional and local development of labour force occupying represents, in the present context, a dynamic and continuous process. European Commission Report (De la Fuente and Ciccone, 2000) concludes that investments in human capital contributes in significant way to productivity growth and constitutes a good investment comparing with alternative expenses at microeconomic and social level. There are proves that at social level, human capital investments are responsible for a great proportion of growth for entire productivity. Rising level of labour force employment is the most efficient way of obtaining economic growth and promoting economy, of social integration, providing a safety network for people unable to work, also. Promoting a greater supply of jobs to all groups, a new approach of life cycle regarding labour and modernization of social protection for ensuring adequacy of those, financial viability and sensitiveness among in change needs at society level are much more necessary taking into account the diminution of population able to work.

From evolution point of view, occupational system changed in the last years. However, tendencies from Romania do not reveal the beginning of competitive economy development. Economic activities from tertiary sector increase in number of employed population but in the necessary trend. Nevertheless, the orientation of Romanian occupational system to the European one can be observed. We can speak about two types of changes regarding the occupations:

- of evolution at level of major occupational groups;
- in type and content of occupations (the apparition of new occupations or/and changes in the content).

Trying to adapt to these technological changes an organizational structure, most of the occupations registered changes in the work content. This fact conduct to the necessity of having new competencies, among which are: knowing a foreign language and capacity to use the computer. The extent of private sector, changes generated by restructuring some sectors and development of others made that some competencies to be reevaluated.

Occupations in new domains, with high requirements in quality of needed competencies are characterized by greater share of part time jobs or with determine period contract. This fact is the prove of flexible occupations apparition. Yet retailing suffers from problems in recruiting suitable employees, particularly those with the necessary skills. Previous industry and academic research has identified retailing as having a poor image as a career choice for existing and potential employees, particularly for more highly qualified employees (Jackson et al., 2006).

The effects of technological modernization have been experienced in firms from industrial processing domain, depositaries, transport, communications and in commerce and imobiliar transactions firms too. Beside technological changes, Romanian enterprises confronted with organizational transformation; it is about restructuring the human resource in a company. The most affected sectors by the organizational changes were agriculture, thermic and electric energy, mining, gas, and water.

Retail sector faced changes in the latest years, caused by competition, decentralization and complexity of consumers regarding shopping behavior. More than this, technological development brings a plus of efficiency to this sector but imposed also a necessity for new skills. The retail skills are given mainly by the dynamic of industry, of labour force and by the evolution of occupational profile (Hart et al., 2007).

## **2. Employees and employers in retail**

The employers' perception was, for a long time, that the labour force is in excess, but in latest years, many companies had difficulties in recruiting staff adequate to the developed activity. Deficiencies that we meet on the labour force market show us the deficit of qualified force and the existent problems in the system of certifying of competences possessed by employed personal. Inadequate appointment to a post of the employed personal in order to the qualification obtained by graduating a school is often encountered. This discordance is less encountered in the sector of superior studies employed personal.

With so many work force employed in retail firms, retailing is one of the largest and fastest growing industries. A job in retail may be an attractive proposition to the potential incumbent because of the opportunities for career progression, challenges, avenues for meeting people, attractive financial rewards and its capacity to offer a high level of job security to the capable individual. However, a

retailing job also has a number of less attractive attributes, such as the need to work extra hours to get ready for busy seasons and sometimes to work weekends and evenings, travel for several days on buying trips, responsibility for profit margins in difficult competitive market conditions, awkward customers, to mention but a few.

Many people are employed in the retailing industry. Each day they cope with many of the same environmental and work-related concerns as factory and office workers who have been so intensively studied by behavioral researchers. Retailing work, like other forms of employment, consists of job dimensions, supervisors, social-psychological interaction, and most of the same ingredients found in other jobs [5]. Since labour is one of a retailer's greatest costs, strategic management of personnel is necessary for high levels of productivity and return-on-investment. Effective retail store management depends on satisfied, motivated, and loyal employees who will be productive, maintain assigned work schedules, and develop tenure with the firm. In order to attract and keep satisfied and productive employees, retail store managers must know which dimensions of the job are most important and most satisfying to employees. Numerous approaches have been used to study behavior and attitudes in the workplace [1].

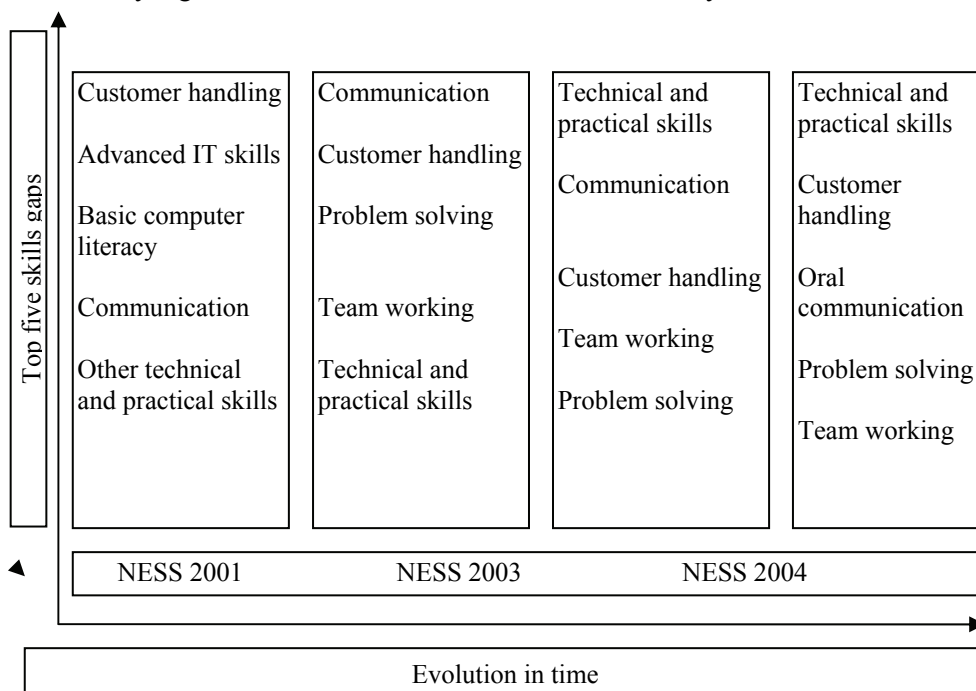
There are countries where retail sector is well studied and the accent is on sales activity as that is the most profit given. In England, sales and customer services underpin the retail sector and not surprisingly these occupations account for 67 per cent of employment within retail. At national level, this occupations account, in total of occupations, only 16 per cent (National Employers Social Survey - NESS, 2003). As a consequence, these sustain retail sector, but they not account very much in total of economy sectors. While management occupations comprise the second largest occupational group in retail, at 17 per cent this is in stark contrast to the England average of 35 per cent suggesting that "professionals and higher-level occupations" are grossly underrepresented in the sector. Undoubtedly, this occupational structure affects the qualification/skills profile and quality of entrants into the retail sector. The retail industry has traditionally struggled to compete in the graduate pool for well-qualified management entrants, bringing into question the skills levels of retail managers. The predominant nature of sales occupations in sales and customer services has traditionally demanded low-level skills; indeed retail employs a relatively high proportion of workers with lower than average levels of qualification attainment, but the analyses that follow highlights changes in necessary skills in this sector.

### **3. The analysis of occupational profile of retail employees**

Core competencies for this industry are selling and managing the customer relationship, therefore customer service is seen as an essential skill for the industry. Furthermore, Figure 1 indicates that "customer-handling skills" were seen as the

most anticipated skills needs within the retail industry in 2001 and in subsequent years have consistently received top three placing. The importance of customer handling and people/social skills is reflected in research investigating the effects of customer orientation amongst service employees on service performance and its consequential impact on retail performance [4].

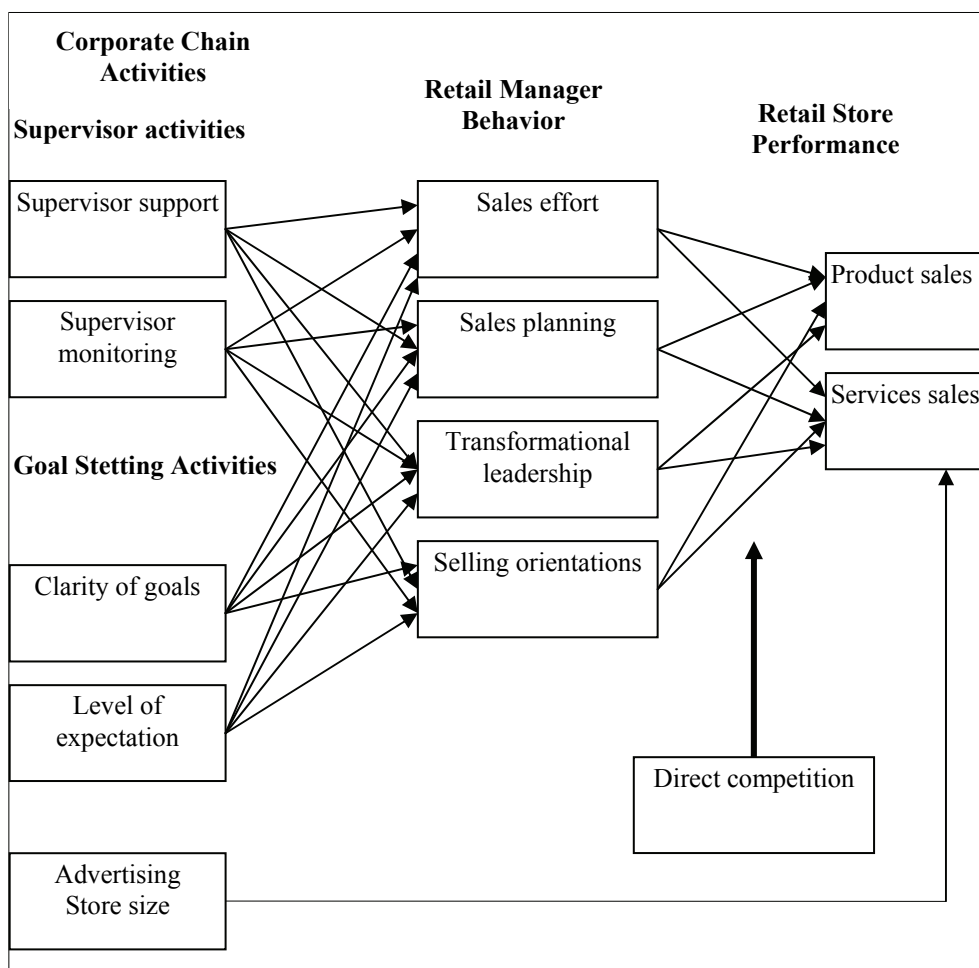
Escalating technology developments in the industry have led to advanced IT skills and basic computer literacy also being cited as emerging skills needs. More recent National Employer Skills Surveys (NESS, 2004, 2005) have replaced the top “skills gaps” with technical and practical skills with so-called soft skills such as communication and team working, being increasingly recommended as targets for training policies. It is unlikely that “skills gaps” will be homogenous among retail workers, and hence different groups of workers are expected to demonstrate differing “skills gaps”. For example, the quality of managers has already been highlighted as a major skills deficit for the retail industry (Hart et al., 2007). In these conditions, we can conclude that spending by retail organizations on training consistently lags behind that of other sectors of the economy.



**Figure 1 – Employers top five anticipated skills gap for retail**

Source: Hart et al., *Employer perceptions of “skills gaps” in retail: issues and implications for UK retailers*, International Journal of Retail & Distribution Management, Vol. 35, Nr. 4, 2007, pag. 271-288

Regarding the relationships among corporate chain activities, retail store managers, and store performance by presenting a conceptual model in which chain activities→ retail manager behaviors→product/service sales (Figure 2). Advertising and store size influenced directly the sales of goods and services. Large stores have the chance to spend bigger amounts of money for advertising compared to smaller ones, their expectations being different regarding the volum of sales and incomes. Synthesizing literature from organizational behavior, sales, services, and retailing research streams, we present and empirically examine a model that highlights key areas of controllable corporate chain activities and store manager conduct that ultimately may drive product and service sales [4].



**Figure 2 - The influence of corporate chain activities and store manager behaviors on retail store performance**

Source: Arnold et al., *Understanding Retail Managers' Role in the Sales of Products and Services*, Journal of Retailing, 2008

Both planning and manager effort appear in investigation the retail context. These considerations are not surprisingly taking into account that number of working hours that this sector requires. Regarding transformational leadership, managers that have this style adopt a long-term strategy. Transformational leadership means highlighting and transmitting a new and special vision, that inspires a real commitment of employees. At this kind of leadership calls transformational leadership because the leader changes, successively, in time, the beliefs and attitudes of subordinates for corresponding to the new vision. They tend to action in interest of both clients and organization, offering solutions for both groups. Although being criticized and misunderstood, selling orientation proved to be useful in particular situations, which needed short term orientation. Supervisor support is that which retail manager expects from his superior. Monitoring may refer to the relation between a country manager and the county one. The objectives represent in this context the point of view that manager gives to his organization and superior expectations. The competition still remains an external factor, being specific to environment and market in which organization acts [1].

According to United States Census Bureau, retailing is the second largest industry in the United States in terms of the number of both establishments and employees. The competitive nature of this massive industry receives considerable attention. Given this depth of investigation into retail performance, it is remarkable that one of the key players in retailing, the retail store manager, has received considerably less attention than other potential performance determinants. Furthermore, in direct relation to retail store performance, the effect of managerial behaviors on the sale of both physical products and services within a retail setting is only poorly understood. Retailing must be able to attract, recruit, and retain a competent workforce to successfully compete in the 21<sup>st</sup> century. Due to unprecedented store expansion, more store management careers are available to young people than ever before, yet retailers face major obstacles in recruiting talented college graduates due to perceptions that retailing offers a low quality of work-life. The workplace experiences are a combination of constructs related to:

- job characteristics (salary, workweek, feedback, participation, autonomy, variety, and control);
- psychological outcomes (job satisfaction, job burnout, organizational commitment and turnover);
- role stress (overload and conflict).

Collectively, these constructs provide a holistic picture of the work environment. In terms of managerial recommendations, it is apparent that recruitment and selection criteria for hiring the “right type of employee” need further development. Retailing is not for everyone. We would expect that individuals happy in retail store positions have a different set of job satisfiers than those in other marketing positions. For example, they may have higher needs for immediate feedback, action, and social interaction. Recruiters should also keep in mind that computer



skills, personal interaction skills, and speed are critical behaviors necessary for retail service quality.

Retailing organizations must also understand what business school graduates really want. Retail store managers may report poorer workplace experiences because retailing organizations fail to recognize their individuality (in providing low autonomy and limited participation) and their need to progress towards meeting their own personal goals. Hence, new work designs that are both responsive to the values of business graduates as well as aligned with the goals and objectives of retailing organizations must be designed. Then, retailing organizations should avoid primarily focusing on improving workplace experiences. Retailing organizations often attempt to create more positive workplace experiences by focusing on a more pleasant work environment. It is important to remember that changing management styles, job designs, reward systems, and/or communication and coordination procedures are key factors that increase workplace experiences. Finally, retailing organizations should re-examine their current pay scales. New and existing employees frequently view pay less as financial compensation than as an indicator of their personal worth to an organization. Store managers must receive competitive financial packages if retailing organizations are to attract and retain competent individuals. Profitability, employee satisfaction, and customer loyalty are all closely correlated. Retailing organizations interested in increased customer satisfaction and profits would likely find that increasing the satisfaction of store managers is an important first step towards meeting those objectives [7].

### **Conclusions**

Taking into account the changes that took place in evolution, type and content of jobs in general in occupational system and in retail sector too, it becomes more evident the importance of establishing and highlighting some definitory aspects of occupations for each sector of activity. As it results from the above analysis, retail, part of commerce, has great percentages regarding the occupied population in this field. As a consequence, identifying the necessary competences of retail employees but also of the problems that these confront is important, because, as I showed in the above analysis, the changes that took place in required competencies are more and more evident, at employers level and employees to. Labor markets are affected by economic, social, and institutional factors that are difficult to predict. No one can forecast perfectly how many jobs will be available, or whether there will be too many or too few workers to fill those jobs. The reality is that employment is never a guarantee, even for individuals who pursue training in demand occupations. Knowing the skills evolution necessary for each sector and its specific become very important. Adapting and growing the capacity of education system and professional formation are necessary for improve the relevance of these in context of labour force, of sensitiveness of these to necessity of an economy and society

based on knowledge as well as of those of efficiency. We can speak about the development of commerce sector only giving the necessary importance to productive one. The existence of a category formed by young people can be an advantage but also an obstacle. The youth present a greater mobility and can accept new forms on occupations and organization of work and may achieve necessary retail skills faster.

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